wedi™ Partnering for Electronic Delivery of Information in Healthcare

The Honorable Michael Leavitt
Secretary of Health and Human Services
440D Hubert Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

May 30, 2006

Dear Secretary Leavitt:

In its advisory role under the Health Insurance Portability and Accountability Act (HIPAA), the Workgroup for Electronic Data Interchange (WEDI) periodically brings to your attention issues related to Administrative Simplification that it believes merit review and consideration by the Secretary. We have made several recommendations for CMS the regulator to consider.

On April 18, of 2006, WEDI conducted public hearings in Chicago concerning the readiness of the healthcare industry to support the implementation of the NPI. Prior to the April 18, 2006 hearing forty-one healthcare organizations provided written testimony and twenty-four provided verbal and written testimony to the panel and audience regarding their readiness and issues in implementation of the NPI.

The NPI hearing testimony represented the following domains:

- Health Plans (Payers)
- Providers
- Government and Associations
- Vendors and Clearinghouses

Note: The WEDI NPI Hearing Committee is identified in Attachment A. The organizations are identified on Attachment B.

The verbal and written testimony was analyzed and resulted in the following recommendations which are grouped into these five areas:

- Education and outreach
- Enumeration
- Dissemination
- Testing and Implementation
- Evaluation

FINDINGS AND RECOMMENDATIONS:

Education and Outreach

1. Education and outreach is essential to a successful NPI implementation. As of the hearing (April 18), only 400,000 providers out of the CMS estimate of 2.5 Million providers had obtained an NPI.
    a. **Recommendation:** WEDI recommends CMS partner with WEDI to provide a strategy and plan to provide more education and outreach on the NPI to the industry.
    b. **Recommendation:** WEDI recommends CMS host monthly open door forums on the NPI and promote these monthly meetings and other NPI education and outreach efforts through CMS email lists and carrier/intermediary newsletters.
    c. **Recommendation:** WEDI recommends CMS partner with WEDI to establish common strategies for use with state/regional/national collaborative(s):
        i. Outreach – Strategically analyze data for focus points.
        ii. Education – Promote entering legacy ID into National Plan and Provider Enumerator System (NPPES) and also communicate the benefits of this the provider.
    d. **Recommendation:** WEDI recommends that CMS support and actively participate in updating the WEDI Subpart Enumeration paper. CMS and WEDI should promote collaboration among providers and health plans to create or recommend any available tools. For example, it is recommended that providers start with the Medicare subpart guidance as a baseline and review the impact with other contracted payers to create a strategy.
    e. **Finding:** WEDI will ensure that all communication messages promoting education will be succinct and create a call for action.
        i. Education messages should be motivational using phrases such as payment denials, get paid, etc and avoid euphemisms like train wreck/derail claims.
2. There are issues with transactions supporting the dual use of the NPI and legacy identifiers.
    a. **Recommendation:** WEDI recommends that CMS support and participate in creating a white paper with WEDI to educate the healthcare community on the pre-authorization/pre-certification (278) transaction and how to implement it without having the ability for dual use.
    b. **Recommendation:** WEDI recommends that X12 explore options in enabling the 278 to support two identifiers.
    c. **Findings:** WEDI will collaborate with X12 to create a white paper explaining the NPI impact regarding the X12 834 Enrollment transaction.
3. The industry needs clarification on whether taxonomy codes will be required in claims and what to do if a provider has more than one taxonomy code. Also, some taxonomy codes do not contain a definition.
    a. **Recommendation:** WEDI recommends CMS collaborate with the WEDI workgroup to provide guidance on the use of taxonomy codes, explaining the definitions, when and how to use, and what to do when there is more than one.
    b. **Recommendation:** WEDI recommends that National Uniform Claim Committee (NUCC) work with the industry to obtain definitions for provider taxonomy codes.
4. The industry needs to monitor industry readiness through interim updates.
    a. **Recommendation:** CMS continue to partner with WEDI to provide regular updates. At the minimum the schedule will be an NPI update/status at the May 2006

WEDI meeting and subsequently at the November 2006 WEDI meeting. WEDI will also schedule a first quarter 2007 NPI update meeting.

b. **Recommendation:** CMS should provide monthly reports on the usage of NPIs in transactions with CMS Medicare. WEDI will also ask other health plans for similar status reports.

5. Funding for outreach program.
    a. **Recommendation:** WEDI recommends CMS provide personnel and financial assistance to WEDI in funding the outreach process to ensure a successful implementation.

Enumeration

6. The lack of bulk enumeration capabilities (electronic file interchange (EFI)) is delaying the enumeration of large numbers of providers.
    a. **Recommendation:** WEDI recommends CMS/NPPES have a functioning and efficient EFI process by June 15, 2006, that meets industry needs. Without this capability the industry will be at risk for not having adequate testing time. (NOTE: CMS released EFI instructions on 5/01/2006).
7. There is a concern that NPPES does not validate information to an appropriate degree.
    a. **Recommendation:** WEDI recommends CMS / NPPES publicize the entire validation (e.g. name matching Social Security records) process to the healthcare industry by June 15, 2006.
8. There are suggestions to improve the web site for data entry on NPPES**.**
    a. **Recommendation**: CMS and the NPPES vendor should improve the web site design.
        i. The NPPES system must be available during published business hours and all routine maintenance should be performed on weekends or late evening.
        ii. Providers should explicitly be told to record their User ID and NPI password since they will need it in the future to revise or update their information. (Screen titled "NPI Application Form: Select NPI User ID and Password").
        iii. Providers are sometimes confused on the screen "NPI Application Form - Select Entity Type." When a provider is applying for their type 1 (individual) NPI and they are employed by a large provider organization they may incorrectly select the radio button for type 2 (organization) rather then type 1 (individual). This must be clearer or a separate web site should be created for organizational NPI applications.
        iv. NPPES should add a search function so that providers can input "int" and come up with internal medicine; "ger" would take them directly to geriatrics, etc. Nurse practitioners may miss their listing initially because it is in the "Physicians Assistants and Advance Practice Nursing Providers" section.
        v. NPPES should distribute taxonomy codes with the NPI in the email that is sent to the provider. This may initiate the provider to correct the taxonomy codes as needed.
9. A lack of clarity around subpart requirements has slowed provider enumeration.
    a. Recommendation: WEDI recommends CMS, in its role as the NPI regulator, provide clarity and/or guidance to providers on the subpart breakdown as soon as possible. There is confusion on the use of type 1 (individual) and type 2 (organization) NPI's in transactions.
    b. **Finding:** WEDI will develop an issue brief to explain the use of NPI type 1 and type 2 in transactions on solo practitioners.

Dissemination

10. The lack of a dissemination policy by CMS is delaying the industry from creating crosswalks and making other related business decisions because they do not have knowledge of how the dissemination system will work.
    a. **Recommendation:** WEDI recommends CMS/NPPES issue a notice and have an operational dissemination system by June 15, 2006.
    b. **Finding:** WEDI has determined that a WEDI Policy Advisory Group (PAG) should be held to assess the dissemination notice against the WEDI NPI Dissemination Principles paper (Attachment C). The assessment should focus on the ability of the notice to meet industry needs for :
        i. Accessibility
        ii. Data Availability
        iii. Who has access for different purposes?
        iv. What are the restrictions on use and disclosure of NPI?
        v. What are the charges and costs for accessing NPPES?
11. There is concern that providers will not be able to submit claims if they are not able to easily obtain the NPI for providers identified on the claim as referring, or ordering. Health plans also require access to the NPPES for validation purposes.
    a. **Recommendation:** WEDI recommends CMS and NPPES have a functioning dissemination process by June 15, 2006. Otherwise the industry is at risk of not having adequate testing time and meeting the NPI implementation deadline of May 23, 2007.
    b. **Recommendation:** WEDI also recommends CMS allow the healthcare industry query capabilities (i.e. query by employer identification number (EIN), or the social SSN, and legacy Medicare numbers) to obtain NPIs from the NPPES.
    c. **Recommendation:** WEDI recommends that the dissemination notice allow for an interactive response for single inquiries, and also allow batch queries.
12. Requirements by health plans for paper verification of NPI notice from NPPES.
    a. **Recommendation:** WEDI recommends that health plans not require a paper copy of the NPPES paper (email or other) notice of the provider's NPI.
    b. **Finding:** Due to the lack of the NPPES dissemination process WEDI identified a need for standard notification from providers to other providers and to health plans of their NPIs. WEDI recommends CMS support a WEDI white paper on dissemination tactics. All health plans should allow multiple methods of notification using industry standards for dissemination by providers.
13. The processing of atypical service providers (those providers not eligible to obtain an NPI because they are not health care providers) is of significant concern not only to public programs (such as Medicaid), but also to private health plans who enroll and pay for services delivered by these providers and to the providers themselves. They present the same challenges to the industry than those that originally called for the establishment of the NPI.
    a. Recommendation: WEDI recommends that CMS work with WEDI and the industry to develop a national enumeration strategy for these providers, either by exploring mechanisms to allow the use of the current provider enumeration system, or by developing alternative ones.

Testing and Implementation

14. Lack of a central repository to track payer readiness. It is cumbersome to require providers to work with each plan individually, or through multiple clearinghouses to determine readiness.
    a. **Recommendation:** WEDI recommends CMS support and endorse the creation of an industry portal as a central place to track payer readiness dates (test and payment of NPI).
15. The use of the NPI in all HIPAA transactions.
    a. **Finding:** WEDI will ensure that education include planning for the NPI in all HIPAA transactions.
16. The inability of legacy claim forms to submit NPI.
    a. **Recommendation:** WEDI recommends that NUCC and the National Uniform Billing Committee (NUBC) support the education and implementation to providers about the new claim forms that facilitate the submission of the NPI.
    b. **Recommendation:** WEDI recommends that all health plans follow the lead of CMS Medicare to require the submission of NPI's on paper claim forms.
17. Health plans requiring providers to re-enroll after NPI enumeration.
    a. **Recommendation:** WEDI recommends health plans not require providers to re-enroll prior to being able to use NPI. This will further delay the readiness, and result in increased administrative costs for the entire industry.
18. Entities unsure of implementation strategies.
    a. **Finding:** WEDI will identify and disseminate best practices to healthcare entities.
19. Lack of standards for NPI information exchange within the industry is creating an administrative burden for health plans and providers.
    a. **Finding:** WEDI is creating a white paper to define standard notification processes to communicate NPI information to health plans and providers.
20. The industry is behind and a very small number of providers have received NPIs, and an even lower number have communicated them to the health plans. The industry is concerned about having adequate time for testing and the ability to avoid potential financial risk.
    a. **Recommendation:** WEDI recommends that CMS allow the reporting of legacy IDs after the NPI deadline of May 23, 2007 for a minimum of 6 months or a longer time period to be determined through a status check in November 2006. This would be a transitional period where the NPI will be required in all transactions but legacy identifiers could be sent in secondary fields for testing purposes.
    b. **Recommendation:** WEDI recommends that CMS clarify that the use of legacy identifiers (Ids) used as certification numbers along with the NPI is not allowed.

WEDI would like to be very clear, however, that this should not be perceived by the industry as a delay in the implementation of NPI. Providers must still have completed their NPI enumeration and system remediation to prepare for the May 23, 2007 deadline. Health plans must still process transactions based on the NPI as of May 23, 2007. Extending the dual use period is only intended to allow trading partners to work out payment and other transaction issues that arise after the May 23, 2007 date.

21. Providers are not certain on how to create transactions when the referring or ordering provider's NPI, EIN, or SSN is not known by the provider creating the transaction.
    a. **Finding:** WEDI will investigate the current and future HIPAA transactions and trading partner (companion guides) regarding the requirements for NPI, EIN, or SSN for ordering and preferring providers, and provide education around these requirements.

EVALUATION AND FUTURE PROCESS IMPROVEMENT

22. There is a concern that regulations are published with no implementation schedule.
    a. **Recommendation:** WEDI recommends CMS assist WEDI in creating a plan with clear milestones on all future regulations. This would include recommended timelines for each sector for analysis, implementation, and testing. CMS would then need to reference these in public forums and official policy guidelines.
23. There is a need to understand the return on investment (ROI) for implementing the NPI.
    a. **Finding:** WEDI will work with CMS to provide education on the benefits of NPI and how to get a ROI
    b. **Finding:** WEDI will work with CMS to provide education on the potential future uses of the NPI beyond HIPAA transactions, e.g. electronic health record (EHR) and public health.

Overall, the results of the hearing showed uneasiness with the validation, access and dissemination policy of NPI data. The industry needs CMS to take action regarding these recommendations so the industry can achieve compliance by May 2007. WEDI values the support from CMS and HHS and offers our full support in future work to remove the obstacles surrounding the implementation of the NPI. We thank you for your careful consideration of these comments and invite you and members of your staff to contact us to discuss these comments in more detail.

Sincerely,

Mark McLaughlin; Chairman
WEDI

cc. WEDI Board of Directors